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<MSG>The FDIC is proposing Regulation Z - Truth in Lending - Closed-end Mortgages [R-1366] is in the comment stage until 12/24/2009.

There are some good provisions in [R-1366] but the provision that eliminates mortgage brokers ability to charge yield spread premiums (YSP) will have disastrous consequences for consumers and the real estate industry.

Most mortgage brokers use YSP to provide consumers with additional options by reducing Closing Costs loans which allow consumers to be able to close their loans with limited funds. As I am sure you know, mortgage brokers must disclose the amount of YSP initially on the required Mortgage Loan Disclosure (MLD) and again on the estimated HUD 1 and again on the final HUD 1.

Banks are not required to disclose YSP yet YSP is their pricing model. If YSP is eliminated then banks will have an unfair competitive advantage which could lead to most mortgage brokers being forced out of business.

Your help will be deeply appreciated.

Thank you,</MSG>

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